

ASRS WEEKLY REPORT

ARIZONA STATE RETIREMENT SYSTEM

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For the week ending Friday, February 3, 2006

This electronic report provides a briefing of news and notices important to our employer partners and our members. Please direct comments to WeeklyReport@azasrs.gov.

ASRS News

Retirement-related Legislation under consideration this session

There are several bills before the legislature that may impact ASRS members. You can view a summary of these bills and track their progress by referring to the ASRS Bill Tracker, which is updated weekly and posted on our website.

Two bills, however, that members and employers may find of particular interest are summarized below.

House Bill 2340 - Repeal of the Modified DROP Program

State Legislation passed in 2001 and modified in 2003 allows for the creation of a Deferred Retirement Option Plan to be offered through ASRS employers. Implementation of a modified DROP program, however, would lead to increased contribution rates for all members and employers, by some estimates as much as a full percent on each side. Therefore, the ASRS is supporting legislation to repeal the Modified DROP statutes that apply to ASRS members and employers.

This bill, sponsored by Representative McClure, received a "do pass" vote from the House Public Institutions and Retirement Committee and is progressing through the legislative process.

House Bill 2101 - Refund of Employer Contributions

Currently, members who terminate ASRS membership prior to retirement may withdraw funds they have contributed, plus funds contributed by their employers, plus interest.

Last session, legislation was passed that limits the interest accrual on withdrawals (forfeitures) to four percent as of July 2005. This session, the ASRS is supporting legislation that eliminates the ability of non-retired members terminating ASRS membership from withdrawing funds contributed by the employer.

The proposed change would not affect current members' account balances and withdrawal sums. The prospective change is only applicable to future active members hired on or after the effective date of the legislation. This change is expected to save up to 0.25 percent on contribution rates over time.

This bill, also sponsored by Rep. McClure, is scheduled to go before the House Public Institutions and Retirement Committee on Monday, Feb. 6.

Educational meetings offered to inform, assist members

The Member Services Division of the ASRS conducts educational meetings available to all members. Whether you're newly hired and want to learn about the benefits available to you, or you're ready to retire and want assistance filling out your paperwork and making annuity selections, the ASRS has a meeting for you.

Group Meetings are designed for members within one year of retiring. You'll learn about potential monthly benefits and options, completing retirement paperwork, health insurance, and return-to-work options.

Seminars are open to all members and are especially helpful to new members. You'll learn about the ASRS, benefits as an active, inactive and retired member, member responsibilities, retirement benefit calculations, wills and trusts and Social Security benefits.

Service Purchase Meetings are open to all members. Here you'll learn about the Service Purchase Program, the process for purchasing service, types of service available for purchase, cost calculations and payment options.

Visit our website and click on the Calendar section to see a full listing, including our Spring state-wide travel schedule. Reservations are required and can be made by calling the Member Service Advisory Center at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson, or (800) 621-3778 outside Phoenix and Tucson.

ASRS Employer News

ER 101 Workshops planned for 2006

The Employer Relations staff is offering its popular ER 101 Workshops, designed specifically for new employer staff who have not worked with the retirement system and want to learn the basics.

ER 101 focuses on the very basics of the ASRS. The workshops have proven especially helpful for staff in new positions of responsibility in accounting, benefits, human resource or payroll areas.

Subject matter includes: determining membership; Long Term Disability; reporting contributions; the Return to Work Program; Health Insurance Premium Benefit Program; a review of the new ASRS Employer Manual, and completing ASRS forms.

ER 101 Workshops are scheduled **February 21, March 15 and April 18**. All will be from 8:30 a.m. to 12:30 p.m. at the ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room. Space is limited, so make your reservations now! For information and reservations, contact:

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Board & Committee Meetings

ASRS Board of Trustees

Friday, February 17, 2006, 8:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.

Investment Committee

Wednesday, February 8, 2006, 5:30 p.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.

External Affairs Committee

Friday, March 3, 2006, 10 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.

Operations Committee

Thursday, March 23, 2006, 10:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of meetings are posted on our website and are available at our Phoenix and Tucson offices.